

Deductions for expenses

A deduction is an amount that is subtracted from your total income. Deductions make your family income seem lower, and make it more likely that persons will meet the Medi-Cal or Healthy Families income limits.

Note: We will automatically deduct \$90 for work expenses.

If you send proof, such as copies of checks or statements (for the last month), the following income will be deducted (subtracted) from your total income:

- Child support or alimony received (up to \$50)
- Alimony or child support you pay
- Disabled dependent adult care (up to \$175)
- Day care expenses for children under 2 (up to \$200)
- Day care expenses for children over 2 (up to \$ 175)

What happens if your income is below the Healthy Families limits?

If your income is lower than the Healthy Families limits, you or the person applying may qualify for no-cost Medi-Cal. *Medi-Cal* offers health, dental and vision coverage for free.

If you give us your permission, we will send your information to Medi-Cal if the persons applying do not qualify for Healthy Families.

Questions? Call 1-866-848-9166, Monday to Friday, 8 a.m. to 8 p.m., and Saturday, 8 a.m. to 5 p.m. The call is free.

Medi-Cal Privacy Notice

Federal and state law says that we must give you the following information:

- To apply for Medi-Cal, you must give us the information we asked for in the application. If you do not give us this information, we may deny your application.
- The information you give us may be shared with federal, state and local agencies in order to see if you qualify, and to check on the immigration status of people who want full-scope Medi-Cal benefits. The law says that the Immigration and Naturalization Service (INS) cannot use that information except in cases of fraud.
- Medi-Cal will also use your information to make Benefits Identification Cards (BICs) and to process claims.
- If you need emergency care, you may not need to give your Social Security Number.
- If you are pregnant, you may not need to give your Social Security number.
- You must provide Social Security Numbers for everyone else who applies.

These are the laws: Welfare and Institutions Code §14011; Social Security Act §1144(a)(1)

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Important Information about

Family Members and Income

Read this to help you understand how Healthy Families figures (calculates) income and family size, and to find out if a person qualifies for coverage.

This information will also help you fill out these forms:

- **Annual Eligibility Review form**
- **Add a Person form**
- **Re-enrollment form**
- **Premium Re-evaluation form**



Which family members living in the home should you list?

The family members that count toward the size of your household are:

- Parents, spouses, stepparents, or caregiver relatives who live with a child who is applying for Healthy Families
- A minor living on his or her own
- An unborn child of any family member
- All children under age 21 of married or unmarried parents living in the home
- All children under age 21 away at school and claimed as tax dependents

Note: Don't list a person getting SSI/SSP.

What income counts when Healthy Families is figuring my income?

- Earnings from a job
- Self-employment
- Child support
- Alimony or spousal support
- Pension and retirement benefits
- Government benefits, such as Social Security, Retirement Survivor Disability Insurance (RSDI), Veterans, Disability, Workers' Compensation, Unemployment
- Other income such as: grants for living expenses, settlement benefits, net profit

from rentals, gifts, lottery/bingo winnings, and interest income

What income does NOT count?

- The income of a step parent
- Any income a child under age 14 earns
- Any income a child who goes to school full-time earns
- Supplementary Security Income/State Supplementary Program (SSI/SSP) Payments
- Foster care payments
- CalWORKS payments (replaces AFDC)
- General Relief
- Grants or scholarships
- Loans
- College work study
- Certain other government benefits. If you have a question about your government benefits, call us to ask.

What proof of income does Healthy Families need?

Here are the proofs you will need for each kind of income:

- **For a job**, a copy of your most recent pay stub (*within the last 45 days*), with gross pay and tax deduction amounts on it. If you cannot get a pay stub, you can send a signed statement from your

employer. The employer should list the gross monthly income and the dates you get income. Or, you may send your last year's federal tax form 1040.

Note: A negative line item on the 1040 is counted as zero income. W2 forms are not acceptable.

- **For self-employment income**, a copy of last year's federal income tax return form 1040, including Schedule C, **or** the last 3 months' profit and loss statement, with an itemized list of income and expenses by month. Call us and we will tell you what additional information will be required on the profit and loss statement.

Note: A negative line item on the 1040 and negative net income on the profit and loss statement is counted as zero income.

- **For disability or retirement income**, send copies of current year award letters or last month's bank statements showing the direct deposits.
- **For child support and/or alimony or spousal support**, send copies of the checks received in the last month, or statements from the District Attorney's Family Support Division.
- If a Medi-Cal "Share of Cost Notice of Action" lists your income, you can send that as proof of income if it is dated within the last 2 months.

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